MONTANA DEPARTMENT OF ENVIRONMENTAL QUALITY OPERATING PERMIT TECHNICAL REVIEW DOCUMENT

Permitting and Compliance Division 1520 E. Sixth Avenue P.O. Box 200901 Helena, Montana 59620-0901

Northern Border Pipeline Company Compressor Station No. 1 NE¹/₄ of the SE¹/₄, of Section 12, Township 33 North, Range 38 East Valley County, Montana

The following table summarizes the air quality programs testing, monitoring, and reporting requirements applicable to this facility.

Facility Compliance Requirements	Yes	No	Comments
Source Tests Required	X		Portable Analyzer
Ambient Monitoring Required		X	
COMS Required		X	
CEMS Required		X	
Schedule of Compliance Required		X	
Annual Compliance Certification and Semiannual Reporting Required	X		
Monthly Reporting Required		X	
Quarterly Reporting Required		X	
Applicable Air Quality Programs			
ARM Subchapter 7 – Montana Air Quality Permit (MAQP)	X		MAQP #2979-02
New Source Performance Standards (NSPS)	X		40 CFR 60, Subpart GG
National Emission Standards for Hazardous Air Pollutants (NESHAPS)		X	•
Maximum Achievable Control Technology (MACT)		X	
Major New Source Review (NSR) – includes Prevention of Significant Deterioration (PSD) and/or Non-attainment Area (NAA) NSR		X	
Risk Management Plan Required (RMP)		X	
Acid Rain Title IV		X	
Compliance Assurance Monitoring (CAM)		X	
State Implementation Plan (SIP)	X		General SIP

TRD2979-11 1 Date of Decision: 3/21/2011

TABLE OF CONTENTS

SEC	ΓΙΟΝ I. GENERAL INFORMATION	3
B.C.D.E.F.	PURPOSE	3 5 5
SEC'	ΓΙΟΝ ΙΙ. SUMMARY OF EMISSION UNITS	7
A. B. C.	FACILITY PROCESS DESCRIPTION EMISSION UNITS AND POLLUTION CONTROL DEVICE IDENTIFICATION CATEGORICALLY INSIGNIFICANT SOURCES/ACTIVITIES	7
SEC	TION III. PERMIT CONDITIONS	8
A. B. C. D. E.	EMISSION LIMITS AND STANDARDS MONITORING REQUIREMENTS TEST METHODS AND PROCEDURES RECORDKEEPING REQUIREMENTS REPORTING REQUIREMENTS	8 8 9
SEC	TION IV. NON-APPLICABLE REQUIREMENT ANALYSIS	10
SEC	ΓΙΟΝ V. FUTURE PERMIT CONSIDERATIONS	12
B.	MACT STANDARDS	. 12
C.	NSPS STANDARDS	
D. E.	RISK MANAGEMENT PLANCAM APPLICABILITY	
F.	PREVENTION OF SIGNIFICANT DETERIORATION (PSD) AND TITLE V GREENHOUSE GAS	
	TAILORING RULE	. 12

SECTION I. GENERAL INFORMATION

A. Purpose

This document establishes the basis for the decisions made regarding the applicable requirements, monitoring plan, and compliance status of emission units affected by the operating permit proposed for this facility. The document is intended for reference during review of the proposed permit by the Environmental Protection Agency (EPA) and the public. It is also intended to provide background information not included in the operating permit and to document issues that may become important during modifications or renewals of the permit. Conclusions in this document are based on information provided in the original application submitted by Northern Border Pipeline Company (NBPL) on February 11, 1997, and additional submissions on February 15, 2001, October 9, 2001, February 3, 2003, October 17, 2003, March 11, 2003, December 6, 2004, and April 9, 2007.

B. Facility Location

NBPL owns and operates the Compressor Station No. 1. This facility is located at NE¹/₄ of SE¹/₄ of Section 12, Township 33 North, Range 38 East, in Valley County, Montana. This site is approximately 28 miles north of Glasgow Montana. Compressor Station No. 1 is located near Buggy Creek, in gently rolling terrain, about 42.5 miles northeast of Forsman Reservoir. From the intersection of Highway 2 and 24, travel north on Highway 24 to mile marker #34. Turn left (west) on the county road and travel 11 miles. Then turn southwest, the site is on the left approximately 5 miles. The total property area covered by this facility is 40 acres. Valley County is designated as an Unclassifiable/Attainment area for National Ambient Air Quality Standards (NAAQS) for all criteria pollutants.

C. Facility Background Information

Montana Air Quality Permit History

On December 23, 1996, NBPL submitted a complete permit application to construct and operate one 39,335-horsepower (hp) Cooper-Rolls natural gas turbine, one 300-kilowatt (kW) emergency backup generator engine, one 1.706-million British Thermal Unit per hour (MMBtu/hr) heating boiler, and one 15-kW emergency backup generator engine. Montana Air Quality Permit (MAQP) #2979-00 became final on March 30, 1997.

On May 13, 1998, NBPL requested that MAQP #2979-00 be modified to accurately reflect the emergency generator engine size of 245-kW. Also, the monitoring requirement in Section II.B.2 was changed from "after issuance of MAQP #2979-00" to "after initial startup of the facility." MAQP #2979-01 became final on June 19, 1998. **MAOP** #2979-01 replaced MAOP #2979-00.

On April 16, 2004, the Department of Environmental Quality (Department) received a complete MAQP application from NBPL for changes to MAQP #2979-01. The changes included a modification to the original oxides of nitrogen (NO_x) Best Available Control Technology (BACT) determination by the Department. NBPL Source #01 (39,335- hp natural gas turbine) was unable to operate the dry low NO_x combustion system (DLE), determined by the Department to be BACT, every hour and at all conditions for which the turbine operates. The modification allowed NBPL to operate Source #01 up to 750 hours per year while the DLE was not in operation. Reasons for non-DLE operation shall include only start-up and shutdown, when operation is required during downstream maintenance requirements, and operation during low ambient temperatures at the site. New carbon monoxide (CO) emission limits for Source #01 of 460 lb/hr when the ambient temperature is 20 degrees Fahrenheit (°F) or colder, 56 pound per hour (lb/hr) when the ambient temperature is 20°F or warmer, and 109.5 tons per rolling 12-month time period replaced Section

TRD2979-11 3 Date of Decision: 3/21/2011 II.A.2 that limited the operation of Source #01 to running at 80% or greater load when the ambient temperature is below 5°F. The new 109.5 tons per year CO limit would be made enforceable by monitoring a combination of ambient and turbine parameters. Cooper-Rolls, the manufacturer of the turbine, will test the turbine under different operating scenarios to develop a correlation between the monitored parameters and CO emissions. The 15-kW emergency generator has been removed from the facility. **MAQP #2979-02** replaced MAQP #2979-01.

Title V Operating Permit History

On February 21, 1997, NBPL submitted a complete permit application to construct and operate Compressor Station No. 1 in Valley County, Montana. This facility would consist of one 39,335-hp Cooper-Rolls, 6562-DLE Coberra; one 300-kW emergency backup generator engine; one 1.706-MMBtu/hr hydronic boiler; and one 15-kW emergency backup generator. The application stated the estimated start date as 8/97 and the estimated completion date as November, 1998. An MAOP was issued for this facility on April 1997. This facility had the potential to emit greater than 100 tons per year of NO_x and was therefore required to obtain an operating permit. This facility was an NSPS Subpart GG affected source because the Cooper-Rolls Coberra meets the definition of a stationary gas turbine and was manufactured after October 3, 1997. The Cooper-Rolls Coberra will have an internal dry low NOx combustion as its control device, which constitutes BACT for this facility.

Operating Permit #OP2979-00 established the basis for the decisions made regarding the applicable requirements, monitoring plan, and compliance status of emission units affected by the operating permit for this facility. The document was intended for reference during review of the permit by the EPA and the public. It was also intended to provide background information not included in the operating permit and to document issues that may become important during modifications or renewals of the operating permit. Conclusions in this document were based on information provided in the original operating permit application submitted by NBPL and received by the Department on February 11, 1997.

On February 15, 2001, NBPL submitted a request for the Department to revise the permitted custom fuel monitoring schedule and equipment for Compressor Station No. 1 Located in Valley County, MT. A hydrogen sulfide (H₂S) and Total Sulfur Analyzer replaced the chromatograph. The custom fuel schedule was structured to allow a representative sample to be recorded every 2 weeks with an option of extending the sampling schedule to once every 6 months upon approval by the Department. Operating Permit #OP2979-01 replaced Operating Permit #OP2979-00.

On October 9, 2001, the Department received a request from NBPL for a modification to Operating Permit #OP2979-01. The modification was an administrative amendment, which changed the responsible official for the facility. **Operating Permit #OP2979-02** replaced Operating Permit #OP2979-01.

On February 3, 2003, the Department received a request from NBPL for an administrative amendment to Operating Permit #OP2979-02. The administrative amendment changed the responsible official and the corporate office address for the facility. Operating Permit #OP2979-03 replaced Operating Permit #OP2979-02.

On February 3, 2003, the Department received a request from NBPL for a modification to Operating Permit #OP2979-03. The modification is an administrative amendment. The responsible official's name was changed in error on Operating Permit #OP2979-03. Operating Permit #OP2979-04 changed the responsible official from Jay Muschenheim back to Randy Rice and changed the facility contact from Ruth Jensen to Jay Muschenheim. Operating Permit #OP2979-04 replaced Operating Permit #OP2979-03.

TRD2979-11 Date of Decision: 3/21/2011 4

On October 17, 2003, the Department received a request from NBPL for the administrative amendment of Operating Permit #OP2979-04 to update Section V.B.3 of the General Conditions incorporating changes to federal Title V rules 40 CFR 70.6(c)(5)(iii)(B) and 70.6(c)(5)(iii)(C) (to be incorporated into Montana's Title V rules at ARM 17.8.1213) regarding Title V annual compliance certifications. **Operating Permit #OP2979-05** replaced Operating Permit #OP2979-04.

On March 11, 2003, the Department received a renewal application from NBPL. The Department had been in the process of permitting action #2979-02 and waited until the completion of permitting action #2979-02 to proceed with the renewal. Permit action #2979-02 was final June 18, 2004. Operating Permit #OP2979-06 replaced Operating Permit #OP2979-05.

On December 6, 2004, the Department received a request from NBPL for an administrative amendment to Operating Permit OP2979-06. The administrative amendment changed the responsible official from Randy Rice to Michel E. Nelson. Operating Permit #OP2979-07 replaced Operating Permit #OP2979-06.

On April 9, 2007, the Department received a request from NBPL for an administrative amendment to Operating Permit #OP2979-07. The administrative amendment changed the responsible official from Michel E. Nelson to Jim Krause. Operating Permit #OP2979-08 replaced Operating Permit #OP2979-07.

Operating Permit #OP2979-10 renewed NBPL's Title V Operating Permit. On March 25, 2009, the Department received a request from NBPL for an administrative amendment to Operating Permit #OP2979-08 to change the responsible official from Jim Krause to Jeff Gravelle. The Department did not issue an Administrative Amendment in anticipation of receiving a Title V Renewal Application. The Renewal Application for NBPL's Title V Operating Permit was received on May 5, 2009. The permit action renewed NBPL's Title V Operating Permit, incorporated the change of the Responsible Official, and updated the permit to the current format used by the Department. Some of the changes included updates to general permit conditions, facility wide conditions, identification of the emergency generator by horsepower instead of electrical generation, and minor changes on the information required for recording during testing. NBPL's Operating Permit #OP2979-10 replaced Operating Permit #OP2979-08. The numbering skipped from -08 to -10 to illustrate that the Department combined the request to change the responsible official and the renewal application into one permitting action from the Department.

D. Current Permit Action

On December 6, 2010, the Department received notification from NBPL that the Responsible Official had changed. The current permit action updates the permit to reflect the change in responsible official. Operating Permit #OP2979-11 replaces Operating Permit #OP2979-10.

E. Taking and Damaging Analysis

HB 311, the Montana Private Property Assessment Act, requires analysis of every proposed state agency administrative rule, policy, permit condition or permit denial, pertaining to an environmental matter, to determine whether the state action constitutes a taking or damaging of private real property that requires compensation under the Montana or U.S. Constitution. As part of issuing an operating permit, the Department is required to complete a Taking and Damaging Checklist. As required by 2-10-101 through 2-10-105, MCA, the Department conducted the following private property taking and damaging assessment.

TRD2979-11 5 Date of Decision: 3/21/2011

YES	NO	
xx 1. Does the action pertain to land or water management or environment		1. Does the action pertain to land or water management or environmental regulation affecting
		private real property or water rights?
	XX	2. Does the action result in either a permanent or indefinite physical occupation of private
		property?
	XX	3. Does the action deny a fundamental attribute of ownership? (ex.: right to exclude others,
		disposal of property)
	XX	4. Does the action deprive the owner of all economically viable uses of the property?
	XX	5. Does the action require a property owner to dedicate a portion of property or to grant an
		easement? [If no, go to (6)].
		5a. Is there a reasonable, specific connection between the government requirement and legitimate
		state interests?
		5b. Is the government requirement roughly proportional to the impact of the proposed use of the
		property?
	XX	6. Does the action have a severe impact on the value of the property? (consider economic impact,
		investment-backed expectations, character of government action)
	XX	7. Does the action damage the property by causing some physical disturbance with respect to the
		property in excess of that sustained by the public generally?
	XX	7a. Is the impact of government action direct, peculiar, and significant?
	XX	7b. Has government action resulted in the property becoming practically inaccessible, waterlogged
		or flooded?
	XX	7c. Has government action lowered property values by more than 30% and necessitated the
		physical taking of adjacent property or property across a public way from the property in question?
	XX	Takings or damaging implications? (Taking or damaging implications exist if YES is checked in
		response to question 1 and also to any one or more of the following questions: 2, 3, 4, 6, 7a, 7b, 7c;
		or if NO is checked in response to questions 5a or 5b; the shaded areas)

Based on this analysis, the Department determined there are no taking or damaging implications associated with this permit action.

F. Compliance Designation

The Department received the semiannual compliance certification submitted by NBPL on July 29, 2009. The report indicated compliance with all permit conditions from January 1, 2009, through June 30, 2009. Stack testing performed during this time further confirmed compliance with permit limitations. Furthermore, NBPL conducted stack testing on July 31, 2009. The results indicated compliance with NO_X and CO permit limitations.

A full compliance evaluation was conducted by the Department for the period of September 17, 2007, through April 20, 2009. Based on this evaluation, the Department believes the facility was in compliance with all applicable air quality regulations during this period. An inspection was completed on April 9, 2009. No compliance issues were noted.

TRD2979-11 Date of Decision: 3/21/2011 6

SECTION II. SUMMARY OF EMISSION UNITS

A. Facility Process Description

The NBPL Compressor Station No. 1 is a natural gas pipeline transmission station with one Cooper-Rolls Coberra natural gas fired turbine. A hot water boiler provides the heat to the various station facilities.

The Standard Industrial Classification (SIC) for this facility is "Natural Gas Transmission" which has an SIC Code of 4922.

B. Emissions Units and Pollution Control Device Identification

The NBPL Compressor Station No. 1 application identified one 39,335-hp Cooper-Rolls Coberra 6562 Compressor Turbine, one 245-kW emergency backup generator engine, and one 1.706 MMBtu/hr hydronic boiler.

The Cooper-Rolls Coberra will contain a dry low NO_x combustion system, as part of the turbine design, this design and operating practice constitutes BACT for this facility. No pollution control devices exist on the two emergency backup generator engines or the hydronic boiler.

C. Categorically Insignificant Sources/Activities

The Administrative Rules of Montana (ARM) 17.8.120 (22)(a) defines an insignificant emission unit as one that emits less than 5 tons per year of any regulated pollutant, has the potential to emit less than 500 pounds per year of lead or any Hazardous Air Pollutant (HAP), and is not regulated by an applicable requirement other then a generally applicable requirement.

This facility has a 1.706 MMBtu/hr Hydronic Boiler, used for heating buildings and fuel preheat as needed. This boiler meets the definition of insignificant emission unit.

Emissions Unit ID	Description
IEU01	1.67-MMBtu/hr natural gas fired heater boiler
IEU02	In-plant vehicle traffic
IEU03	Fugitive and Miscellaneous emissions

TRD2979-11 7 Date of Decision: 3/21/2011

SECTION III. PERMIT CONDITIONS

A. Emission Limits and Standards

Emission limits for the 39,335 hp Cooper-Rolls Coberra Compressor Turbine were established by a BACT determination under the authority of ARM 17.8.715 (the predecessor to ARM 17.8.752). The Cooper Rolls natural gas turbine shall be operated properly by maintaining the dry low NOx combustion system that is part of the turbine design. Minimum stack height for the Cooper Rolls natural gas turbine shall be 55 feet above ground level. The compressor turbine has an emission limit of 40 ppm_{vd} and 50.0 lb/hr for NO_x and 3.00 lb/hr for Volatile Organic Compounds (VOC). Sulfur content in the fuel shall not exceed 0.08% by weight and sulfur dioxide content in the fuel shall not exceed 0.015% by volume at 15% oxygen on a dry basis. The emergency generator engine is limited to 500 hours of operation per year in order to comply with the EPA definition of an "emergency back up generator."

NBPL shall comply with all applicable standards, limitations, and the reporting, recordkeeping, and notification requirements contained in 40 CFR 60, Subpart GG, unless otherwise specified (ARM 17.8.340 and 40 CFR Part 60).

The emission units at this facility are not subject to any current MACT or NESHAP standards. This facility is not currently subject to PSD regulations.

B. Monitoring Requirements

ARM 17.8.1212(1) requires that all monitoring and analysis procedures or test methods required under applicable requirements are contained in operating permits. In addition, when the applicable requirement does not require periodic testing or monitoring, periodic monitoring must be prescribed that is sufficient to yield reliable data from the relevant time period that is representative of the source's compliance with the permit.

The requirements for testing, monitoring, recordkeeping, reporting, and compliance certification sufficient to assure compliance do not require the permit to impose the same level of rigor for all emission units. Furthermore, they do not require extensive testing or monitoring to assure compliance with the applicable requirements for emission units that do not have significant potential to violate emission limitations or other requirements under normal operating conditions. When compliance with the underlying applicable requirement for an insignificant emissions unit is not threatened by lack of regular monitoring and when periodic testing or monitoring is not otherwise required by the applicable requirement, the status quo (i.e., no monitoring) will meet the requirements of ARM 17.8.1212(1). Therefore, the permit does not include monitoring for insignificant emission units.

The permit includes periodic monitoring or recordkeeping for each applicable requirement. The information obtained from the monitoring and recordkeeping will be used by the permittee to periodically certify compliance with the emission limits and standards. However, the Department may request additional testing to determine compliance with the emission limits and standards.

C. Test Methods and Procedures

NBPL shall conduct an emissions test with a portable analyzer in order to determine the NOx emissions from the turbine once every six months. The portable analyzer shall be capable of achieving performance specifications equivalent to EPA traditional methods defined in 40 CFR 60, Appendix A, or shall be capable of meeting the requirements of EPA Conditional Test Method 022 for the "Determination of Nitric Oxide, Nitrogen Dioxide, and NO_x Emissions from Stationary

TRD2979-11 Date of Decision: 3/21/2011 Combustion Sources by Electrochemical Analyzer." NBPL shall monitor compliance with the NOx and CO limitations by converting the emissions test results (ppm) to a mass emissions rate (lb/hr). Stack gas flow rates shall be determined using EPA Test Methods in 40 CFR 60, Appendix A, NBPL may use another testing procedure as approved in advance by the Department (ARM 17.8.105 and ARM 17.7.106).

D. Recordkeeping Requirements

The permittee is required to keep all records listed in the operating permit as a permanent business record for at least 5 years following the date of the generation of the record.

E. Reporting Requirements

Reporting requirements are included in the permit for each emissions unit and Section V of the operating permit "General Conditions" explains the reporting requirements. However, the permittee is required to submit semi-annual and annual monitoring reports to the Department and to annually certify compliance with the applicable requirements contained in the permit. The reports must include a list of all emission limit and monitoring deviations, the reason for any deviation, and the corrective action taken as a result of any deviation.

TRD2979-11 9 Date of Decision: 3/21/2011

SECTION IV. NON-APPLICABLE REQUIREMENT ANALYSIS

Section IV of the operating permit "Non-applicable Requirements" contains the requirements that the Department determined were non-applicable. The following table summarizes the requirements that NBPL identified as non-applicable and contains the reasons that the Department did not include these requirements as non-applicable in the permit.

Applicable Requirement	Reason
ARM 17.8.310 - Particulate Matter, Industrial	
Process	
ARM 17.8.322 – Sulfur Oxide Emission – Sulfur in	These regulations may not be applicable to the facility at this
Fuel	time, however, it may become applicable during the life of the
ARM 17.8.324 – Hydrocarbon Emissions –	permit.
Petroleum Products	
ARM Subchapter 6 – Open Burning	
40 CFR Part 61 – National Emissions Standards for Hazardous Air Pollutants (NESHAP)	None of the 40 CFR Part 61 NESHAP are currently applicable to this facility. However, the Department has determined that it is inappropriate to shield this source category from these rules.
40 CFR 63, Subpart HH – Oil and Natural Gas Production Facilities	Subpart HH applies to oil and natural gas production facilities that are major or area sources of HAP. Compressor Station No. 3 is an area source of HAPs. For area sources, the affected source includes each triethylene glycol (TEG) dehydration unit located at a facility that meets the criteria specified in paragraph (a) of this section. NBPL does not have a TEG dehydration unit at this facility; therefore, there are no applicable requirements of this rule at this time. However, the Department has determined that it is inappropriate to shield this source category from these rules.
40 CFR 63, Subpart HHH – Natural Gas	Subpart HHH applies to natural gas transmission and storage
Transmission and Storage Facilities	facilities that are a major source of HAPs and that transport or
	store natural gas prior to entering a pipeline to a local distribution company or to a final end user. As noted in 40 CFR 63.1270(b), the affected source under the regulation is glycol dehydration units. 40 CFR 63.1270(c) states that a facility that does not contain an affected source is not subject to the requirements of the Subpart. Compressor Station No. 3 does not have any glycol dehydration units; therefore, this regulation does not currently apply. However, the Department has determined that it is inappropriate to shield this source category from these rules.
40 CFR 63, Subpart YYYY – Stationary	Subpart YYYY currently applies to stationary combustion
Combustion Turbines	turbines that are located at a major source of HAPs.
	Compressor Station No. 3 is currently not a major source of HAPs. However, the Department has determined a shield to this source category from these rules to be inappropriate.
40 CFR 64 – Compliance Assurance Monitoring	An emitting unit located at a Title V facility that meets the following criteria listed in ARM 17.8.1503 is subject to Subchapter 15 and must develop a CAM Plan for that unit:
	 The emitting unit is subject to an emission limitation or standard for the applicable regulated air pollutant (other than emission limits or standards proposed after November 15, 1990, since these regulations contain specific monitoring requirements); The emitting unit uses a control device to achieve compliance with such limit; and The emitting unit has potential pre-control device emissions of the applicable regulated air pollutant that are greater than major source thresholds.

TRD2979-11 10 Date of Decision: 3/21/2011

Effective Date: 4/21/2011

	NBPL does not currently have any emitting units that meet all the applicability criteria in ARM 17.8.1503, and is therefore not currently required to develop a CAM Plan. However, the Department does not shield this source category
	from these rules.
40 CFR 60, Subpart JJJJ – Spark-Ignition Internal	Subpart JJJJ applies to emergency engines that are
Combustion Engines	manufactured on or after January 1, 2009. The natural gas fired
	emergency generator engine was constructed in 1998; therefore,
	Subpart JJJJ does not currently apply to the generator engine.
	However, the Department has determined a shield from these
	requirements to be inappropriate.
40 CFR 63, Subpart ZZZZ – Stationary	As stated in 40 CFR 63.6590(b)(3), an existing spark ignition 4-
Reciprocating Internal Combustion Engines	stroke lean-burn engine and an existing emergency stationary
	reciprocating internal combustion engine do not have to meet
	the requirements of this subpart and of subpart A of 40 CFR
	Part 63. However, the Department has determined a shield from
AO CIED CO CL L. AVIVIV. C. C.	these requirements to be inappropriate.
40 CFR 60, Subpart KKKK – Stationary	Subpart KKKK regulations apply to a stationary gas turbine for
Combustion Turbines	which construction, modification, or reconstruction is
	commenced after February 18, 2005 and that has a heat input at
	peak load equal to or greater than 10 MMBtu/hr based on the lower heating value of the fuel. The turbine at Compressor
	Station No. 1 has not been constructed, modified, or
	reconstructed after February 18, 2005; therefore, Subpart
	KKKK does not currently apply. However, the Department has
	determined that a shield from these requirements is
	inappropriate for this source category.

TRD2979-11 11 Date of Decision: 3/21/2011 Effective Date: 4/21/2011

SECTION V. FUTURE PERMIT CONSIDERATIONS

A. MACT Standards

On March 5, 2009, EPA published in the Federal Register a proposed rule to amend 40 CFR 63, Subpart ZZZZ. This rule has since become final, and requires specific maintenance practices of the emergency generator engine.

B. NESHAP Standards

As of the draft date of Operating Permit #OP2979-10, the Department is unaware of any future NESHAP Standards that may be promulgated that will affect this facility.

C. NSPS Standards

This facility is currently subject to 40 CFR 60, Subpart GG, Standards of Performance for Stationary Gas Turbines. As of the draft date of Operating Permit #OP2979-10, the Department is unaware of future NSPS Standards that may be promulgated that will affect this facility.

D. Risk Management Plan

As of NBPL's renewal application date of May 1, 2009, this facility does not exceed the minimum threshold quantities for any regulated substance listed in 40 CFR 68.115 for any facility process. NBPL has not notified the department of any change to applicability of this requirement. This facility is not required to submit a Risk Management Plan.

If a facility has more than a threshold quantity of a regulated substance in a process, the facility must comply with 40 CFR 68 requirements no later than June 21, 1999; 3 years after the date on which a regulated substance is first listed under 40 CFR 68.130; or the date on which a regulated substance is first present in more than a threshold quantity in a process, whichever is later.

E. CAM Applicability

An emitting unit located at a Title V facility that meets the following criteria listed in ARM 17.8.1503 is subject to Subchapter 15 and must develop a CAM Plan for that unit:

- The emitting unit is subject to an emission limitation or standard for the applicable regulated air pollutant (other than emission limits or standards proposed after November 15, 1990, since these regulations contain specific monitoring requirements);
- The emitting unit uses a control device to achieve compliance with such limit; and
- The emitting unit has potential pre-control device emissions of the applicable regulated air pollutant that are greater than major source thresholds.

NBPL does not currently have any emitting units that meet all the applicability criteria in ARM 17.8.1503, and is therefore not currently required to develop a CAM Plan.

F. Prevention of Significant Deterioration (PSD) and Title V Greenhouse Gas Tailoring Rule

On May 7, 2010, EPA published the "light duty vehicle rule" (Docket # EPA-HQ-OAR- 2009-0472, 75 FR 25324) controlling greenhouse gas (GHG) emissions from mobile sources, whereby GHG became a pollutant subject to regulation under the Federal and Montana Clean Air Act(s). On June 3,

TRD2979-11 12 Date of Decision: 3/21/2011 2010, EPA promulgated the GHG "Tailoring Rule" (Docket # EPA-HQ-OAR-2009-0517, 75 FR 31514) which modified 40 CFR Parts 51, 52, 70, and 71 to specify which facilities are subject to GHG permitting requirements and when such facilities become subject to regulation for GHG under the PSD and Title V programs.

Under the Tailoring Rule, any PSD action (either a new major stationary source or a major modification at a major stationary source) taken for a pollutant or pollutants other than GHG that was not final prior to January 2, 2011, would be subject to PSD permitting requirements for GHG if the GHG increases associated with that action were at or above 75,000 tons per year (tpy) of carbon dioxide equivalent (CO₂e). Similarly, if such action were taken, any resulting requirements would be subject to inclusion in the Title V Operating Permit. Starting on July 1, 2011, PSD permitting requirements would be triggered for modifications that were determined to be major under PSD based on GHG emissions alone, even if no other pollutant triggered a major modification. In addition, sources that are not considered PSD major sources based on criteria pollutant emissions would become subject to PSD review if their facility-wide potential emissions equaled or exceeded 100,000 TPY of CO₂e and 100 or 250 TPY of GHG on a mass basis depending on their listed status in ARM 17.8.801(22) and they undertook a permitting action with increases of 75,000 TPY or more of CO₂e and greater than 0 TPY of GHG on a mass basis. With respect to Title V, sources not currently holding a Title V permit that have potential facility-wide emissions equal to or exceeding 100,000 TPY of CO₂e and 100 TPY of GHG on a mass basis would be required to obtain a Title V Operating Permit.

TRD2979-11 13 Date of Decision: 3/21/2011